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the system of imperial finance (the tribute, its collection and disbursement), the writer closes with a sort of balance sheet of the assets and liabilities of Athens at the opening of the Peloponnesian War. Though he is not so cheerfully optimistic in this regard as Beloch, Zimmern's statistics, following mostly Caraignac, must be taken with a great margin of doubt. The spiritual son of Gilbert Murray and Wilamowitz, Zimmern is heir to their failings—splendid and suggestive, but too often rather subjective theories (for samples at random see pp. 100, 109; Murray's "traditional books" idea, 93; the "Periclean phrases," 190 N, etc.; Apollo, 121). The matter of the clans and phratries sounds settled in Zimmern, but there still are grave problems.

Throughout his book the writer has zealously guarded against one-sidedness. His main effort is devoted to economic influences, but without narrowness and without importing the present into the past unduly. His special care has rather been devoted to showing how different in many of its most fundamental presuppositions was Greek economic life from our own (pp. 207, 214, 220, 303, 352). How far this is true is best shown by reference to the conclusion on the Peloponnesian War. Quite at variance with his fellow-countrymen Grundy and Cornford, he actually believes that Thucydides knew more about the causes of that conflict than modern economists. (He is joined by Dickins in the *Classical Quarterly* for October, 1911.) He also justly remonstrates against using Plato and Aristotle as valid sources for the economic situations in the fifth century. "The right method is exactly the reverse, to apply the history of the generation that preceded them to the interpretation of their own doctrines." The author does not lay claim to originality. He frankly states his many secondary sources. The book as a whole is a very welcome and timely one, a much-needed summary of the many monographs, most of them foreign, which would have otherwise remained inaccessible to many of the students at our universities.

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The Income Tax. By EDWIN R. A. SELIGMAN. New York: Macmillan, 1911. 8vo, pp. xi+711.

Income Taxation. By KOSSUTH KENT KENNAN. Milwaukee: Burdick & Allen, 1910: 8vo, pp. 345.

The income tax, according to Professor Seligman, is destined to come. Like democracy, it is a part of the modern world-tendency. All other great nations levy income taxes, or are rapidly preparing for their

adoption. Courts and dilatory legislatures may postpone the enactment of income-tax legislation in the United States, but their obstruction will in the end be overcome. It is therefore of the utmost practical importance to scrutinize the results of foreign legislation, to the end that the system we shall adopt may be as free as possible from error.

Professor Seligman's study was first undertaken in the early nineties when the income tax was the subject of widespread agitation. It was interrupted by the income-tax decision, which for the time robbed the issue of practical importance. Under the influence of the renewed agitation of 1909, which resulted in the submission to the states of the proposed Sixteenth Amendment, the study was brought to completion and published in its present form.

This account of the genesis of the work will indicate its character. It is essentially a political document, but it is executed with a scientific thoroughness that entitles it to a rank among the foremost contributions to the science of finance. It is safe to say that no other writer on the income tax has ever so fully equipped himself for his task as has Professor Seligman. He has made himself familiar, not only with the scientific and official literature of the subject, but also with the vast mass of ephemeral writings which most scientists would reject as worthless, but which, under his hand, have been made to furnish many valuable hints as to the trend of public sentiment. The careful reader can get from this book an adequate understanding of the income tax in its whole organic development. And, if anyone cares for more than Professor Seligman gives, a select bibliography is provided, which is the best extant on the subject.

The historical part of the work is designed primarily for the use of the scholar; the author is therefore justified in presenting in detail much that is of historical importance only. It is, however, a question whether the author is always justified in dragging obscure defenders of vulgar error out of their well-merited oblivion. This practice appears to the reviewer to detract somewhat from the usefulness of the book. And for popular purposes, the value of the book would have been enhanced if schematic views of systems in operation had been more frequently presented. As the text stands, it is even somewhat difficult for the layman to obtain an exact idea of the administration of the British income tax of today. This is the more striking inasmuch as Professor Seligman proposes for the United States an income-tax modeled on the British system.

An income tax law which relies upon the declarations of the taxpayer

as to amount of income, as in the case of our Civil War tax, has always worked badly, and, in the United States, would become more unsatisfactory the longer it remained in operation. The history of the British system proves that a plan of taxation which makes the fullest possible use of the principle of stoppage at the source becomes increasingly effective with the lapse of time. If, then, we are to have an income tax, there can be no question as to what its general character should be. It should attempt to reach income at the source, so far as this is possible. In the United States, Professor Seligman points out, the application of the principle would be greatly facilitated by the prevalence of the corporate form of business organization.

Since the sources of income—especially corporate income—are largely interstate, an income-tax law of this character can be properly administered only by the federal government. Professor Seligman does not deny that an effectively administered state income tax may work fairly well, especially in states which are still primarily agricultural. Even in such states much income derived from investments in other states would escape taxation; moreover, if state income taxes were ever to become general, the present evils of double taxation would merely be aggravated.

But if the federal government alone can administer income taxes effectively, it is, according to the author, the states and local governments that need the new source of revenue. The excises and the customs duties will suffice, in future, as in the past, for the ordinary needs of the federal government. In the states, on the other hand, the need of a new source of revenue is pressing, especially if they proceed to the abolition of the present inequitable taxes on personal property. Accordingly we appear to be forced to accept, with Professor Seligman, the plan of income taxes administered by the federal government, the proceeds to be distributed among the states. Incidentally, Professor Seligman proposes to treat the corporation and inheritance taxes in the same manner.

This plan, as the author indicates, has abundant analogies in foreign fiscal practice. Nevertheless, it appears to be doubtful whether the American states are ready to surrender their fiscal autonomy to the extent that such a system would imply. No one can gauge accurately the strength of the state's-rights sentiment among the American people; but many of us believe that there still remains far too much of this sentiment to admit of the early adoption in legislation of Professor Seligman's plan. It is, moreover, somewhat doubtful whether a satis-

factory basis for the distribution of the tax among the states can easily be found.

Must we, then, believe that if the Sixteenth Amendment is adopted, the income tax will remain only a potentiality, for use in time of national emergency? Probably, unless customs and excises fail to furnish adequate revenue, or unless the federal government extends the scope of its activities, and hence comes to require additional revenues. Now, it is not improbable that the United States will sooner or later follow the lead of foreign countries in social legislation, as well as in fiscal legislation. Old-age pensions and sickness and accident relief are as clearly world-tendencies as the income tax itself.

When the relief of labor is undertaken in the United States, we shall have to determine whether the work shall be carried on at national or at state expense. The population of the United States is exceedingly mobile; it is a relatively small proportion of the working class that reaches old age in the localities where its best services have been given. Massachusetts would bear with great unwillingness the burden of caring for aged persons who had given many of their working years to other states. What state would bear willingly the burden of caring for aged persons who entered the United States after middle age? Again, should Pennsylvania alone bear the burden of accidents in mines and iron-works in the state? Other states share the benefit of cheap coal and iron. Professor Seligman tells us that the basis of wealth has broadened. So also has the basis of poverty. If the former fact implies national administration of the income tax, the latter fact implies national assumption of the duty of relief.

Mr. Kennan puts together in his book a considerable mass of material that will prove useful especially to debaters and other persons who have to appear well informed on the subject of the income tax and have not the time to make a thorough study of other sources. It is not claimed by the author that his work is a contribution to the science of finance; none the less, he can hardly escape responsibility for the fact that much of the work is carelessly done. Even "business men, legislators, students, and others who may wish to study the subject from its practical side" have a right to demand sound information.

In spite of the carelessness of its compilation, the book has a certain value for the student of taxation. The author presents his material in such a way that its significance is evident at a glance. It is to be hoped that the sales of the book may justify a thorough revision; and that when

this appears, it will not be a thick volume with wide margins and soft-finish paper, but a handy little manual, cheap enough to be worth buying.

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Laws of Wages. An Essay in Statistical Economics. By HENRY LUDWELL MOORE. New York: Macmillan, 1911. 8vo, pp. viii+196. \$1.60.

In *The Distribution of Wealth* Professor J. B. Clark made the prophecy that "the largest and most permanent work of the future must consist of historical and statistical studies, directed by a full knowledge of economic law." During the present year two important statistical studies of the kind referred to have appeared, i.e., Fisher's *The Purchasing Power of Money* and Moore's *Laws of Wages*.

In the latter work Professor Moore has added his prophecy, with which the reviewer concurs, to that of Professor Clark. "There are," he says, "five circumstances the coexistence of which at the present time will probably determine in the near future the direction and character of such economic investigations as shall have for their object the discovery of general facts and laws." The circumstances are, first, "the pure theory of economic statics has reached a definite, mathematically symbolic form"; second, "Marxian socialists . . . are seeking to extend the theory of socialism through the development of the constructive idea in the light of concrete data"; third, "the material for the concrete treatment of economic questions is being supplied yearly in increasing abundance"; fourth, "the invention of a calculus of mass phenomena"; and fifth, "the perfection of mechanical devices for performing mathematical computations" (pp. 1-5).

The *Laws of Wages* shows the fruitful application of the newer statistical methods in testing the productivity theory of wages. The theory according to which, under perfect competition, the laborer tends to receive as wages "the value of his specific product" (p. 7) is tested by the computation of the Pearsonian coefficients of correlation, mean contingency, and mean square contingency on the basis of suitable data taken from France, Italy, and the United States, but especially from the former countries.

The study opens with a clearly written chapter on the nature of statistical laws as illustrated by Pearson's "scatter diagram," the straight line that best "fits" the scattered points, and the coefficient of